

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Bush-Tell, Inc. subscriber, are free to choose their own toll usage plans through IXC's that serve Bush-Tell, Inc.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, gathering existing data sources, gathering and maintaining the data needed, reviewing and reviewing the collection of information.

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

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USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Bush-Tell, Incorporated

(Prepared with Audited Data)

All Pages 07/13
✓ ✓ DW 3-11-13

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
Detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2012

BORROWER DESIGNATION

AK0525

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7 CFR CHAPTER XVII

(Check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Equivalents	1,316,974	1,003,006	25. Accounts Payable	186,311	68,699
Cash-RUS Construction Fund			26. Notes Payable		
Affiliates:			27. Advance Billings and Payments	4,442	5,048
a. Telecom. Accounts Receivable	75,788	81,308	28. Customer Deposits	914	
b. Other Accounts Receivable			29. Current Mat. L/T Debt	262,380	275,791
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom. Accounts Receivable	224,347	259,525	32. Income Taxes Accrued		
b. Other Accounts Receivable	44,884	28,673	33. Other Taxes Accrued	17,285	2,758
c. Notes Receivable			34. Other Current Liabilities	23,913	25,723
Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	495,245	378,019
Material-Regulated	3,936	3,936	LONG-TERM DEBT		
Material-Nonregulated	4,505	6,633	36. Funded Debt-RUS Notes	1,633,930	1,390,828
Prepayments	91,489	29,728	37. Funded Debt-RTB Notes		
Other Current Assets			38. Funded Debt-FFB Notes		
Total Current Assets (1 Thru 9)	1,761,923	1,412,809	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	1,633,930	1,390,828
Nonregulated Investments	64,835	47,702	OTHER LIAB. & DEF. CREDITS		
Other Noncurrent Assets			47. Other Long-Term Liabilities		
Deferred Charges	430,191	492,749	48. Other Deferred Credits	20,589	17,915
Jurisdictional Differences			49. Other Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)	495,026	540,456	50. Total Other Liabilities and Deferred Credits (47 thru 49)	20,589	17,915
INT. PROPERTY, AND EQUIPMENT			EQUITY		
Telecom. Plant-in-Service	9,400,089	9,443,829	51. Cap. Stock Outstand. & Subscribed	5,000	5,000
Property Held for Future Use		50,926	52. Additional Paid-In Capital		
Plant Under Construction	10,000	60,698	53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
Less Accumulated Depreciation	7,959,382	8,250,474	55. Other Capital		
Net Plant (18 thru 21 less 22)	1,450,707	1,304,979	56. Patronage Capital Credits		
TOTAL ASSETS (10+17+23)	3,707,656	3,258,244	57. Retained Earnings or Margins	1,552,892	1,466,482
			58. Total Equity (51 thru 57)	1,557,892	1,471,482
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	3,707,656	3,258,244

Total Equity = 45.16% % of Total Assets

Agrees with Audit

314.01

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		AK0525	
INSTRUCTIONS: See RUS Bulletin 1744-2		PERIOD ENDING	
		December, 2012	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		278,729	263,324
2. Network Access Services Revenues		1,938,607	1,882,186
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues		117,461	112,385
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)		2,334,797	2,257,895
8. Plant Specific Operations Expense		1,007,359	966,211
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		115,675	163,479
10. Depreciation Expense		292,762	291,892
11. Amortization Expense			
12. Customer Operations Expense		75,273	73,803
13. Corporate Operations Expense		784,857	777,607
14. Total Operating Expenses (8 thru 13)		2,278,926	2,272,192
15. Operating Income or Margins (7 less 14)		58,871	(14,297)
16. Other Operating Income and Expenses			
17. State and Local Taxes		(5,091)	(12,511)
18. Federal Income Taxes		(20,365)	(50,047)
19. Other Taxes		53	43
20. Total Operating Taxes (17+18+19)		(25,403)	(62,515)
21. Net Operating Income or Margins (15+16-20)		84,274	48,218
22. Interest on Funded Debt		103,338	90,429
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		103,338	90,429
27. Nonoperating Net Income		569	(8,083)
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		(23,427)	(36,116)
31. Total Net Income or Margins (21+27+28+29+30-26)		(41,922)	(86,410)
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year		1,594,814	1,552,892
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		1,552,892	1,466,482
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		353,898	318,898
45. Cash Ratio [(14+20-10-11) / 7]		0.8385	0.8497
46. Operating Accrual Ratio [(14+20+26) / 7]		1.0082	1.0187
47. TIER [(31+26) / 26]		0.5943	0.0444
48. DSCR [(31+26+10+11) / 44]		1.0008	0.9254

Agrees with Audit

314.01